



# FOREIGN POLICY bulletin

AN ANALYSIS OF CURRENT INTERNATIONAL EVENTS

VOLUME 36 NUMBER 4

## What Suez Means to Egypt

Egypt's unexpected nationalization of the Suez Canal Company on July 26 suddenly confronted the Western world with a major problem. What the West forgets in its violent reaction is that the canal is also—and long has been—a major problem to Egypt. Nasser's action is commonly interpreted as simply the irrational retaliation of a piqued dictator for the withdrawal of American aid in financing the High Aswan Dam; yet it was really the result of much deeper and more permanent dissatisfactions. There is good reason to believe that in any case Egypt would have nationalized the canal before the expiration of the Suez Company's concession in 1968. The change in Washington's policy toward the High Dam loan and gleeful Western predictions that this would "cut Nasser down to size" were the occasion rather than the cause of Egypt's drastic action.

This means that there is little hope of resolving the crisis if Western interests are made the sole issue. Any solution that will be permanent and peacefully acceptable to Egypt must equally concern itself with Egypt's own problems regarding the canal. This consideration has been almost totally absent from the frantic

consultations of the Western powers, yet it is as essential to a just and enduring solution as the preservation of the rights of the user nations.

The Suez Canal vitally affects Egypt in two respects. First, it is a major economic resource located on the soil of Egypt and made valuable because of the country's strategic geographical position. Yet Egypt has derived only a bare minimum profit from the development of this resource. Not only does the canal permanently utilize a strip of Egyptian territory but Egypt itself was a major partner in financing the enterprise. It is not generally known that, in addition to the canal shares purchased by the khedive in 1858-59, Egypt furnished approximately 50 percent of the capital used in the original construction of the waterway. In return for this, Egypt was to receive 15 percent of the net profits from the operation of the canal.

Yet Khedive Ismail's financial debacle robbed Egypt of all its anticipated profits. Ismail's own shares were purchased by the British government in 1874 and their future dividends were lost to Egypt. Under the Anglo-French Dual Control instituted in 1880

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to settle Ismail's debts the 15 percent share in canal profits was ceded to a French concern, *Crédit Foncier*, in settlement of a debt of £880,000. Within seven years the *Crédit Foncier* had recovered its investment and since has received approximately £500,000 a year. Thus from 1880 until 1936 the government of Egypt did not receive a single piaster for the use of its territory or in return for its investment in the canal.

In 1936 the canal company took a hesitant step to rectify this situation by allotting Egypt an *ex gratia* payment of £E300,000. In 1949 this was replaced by a 7 percent share in the canal's net profit — the arrangement which was in force at the time of nationalization. Since adjacent Arab countries are receiving approximately 50 percent of the profits derived from the foreign exploitation of their oil resources, it is understandable that Egypt should feel it has been treated with scant justice by the West.

### Egypt's Two Proposals

During the past year the Egyptian government approached the Suez Canal Company with two proposals designed to increase its share in canal profits. The first was a request that the company replace some of its heavy investments in European stocks and bonds by similar investments in Egyptian industrial and commercial enterprises. The company's first reaction was reputedly unfavorable to anything more than a token transaction. However, prolonged negotiations completed in June finally produced an agreement

for hard-currency investment in Egypt that would have benefited industrial development.

Egypt's second proposal was that the company undertake a major widening and deepening of the waterway in anticipation of the oil-supertanker traffic of the future. These tankers, with a displacement of from 50,000 to 75,000 tons, will be too large for the present dimensions of the canal, yet within the next ten years they will be the principal conveyors of Middle East oil. While little information has been published about this proposal, the company is reported to have answered Egypt by saying in substance, "We will continue to improve the canal for present and immediate future traffic, but we are not prepared to make a heavy investment out of profits in a major reconstruction program in view of the fact that the canal would become the national property of Egypt within 12 years."

Egypt interpreted this refusal as evidence that the Suez Canal Company was more interested in obtaining maximum profits than in paving the way for Egyptian ownership of the canal. Whether or not nationalization will prove, economically and diplomatically, the answer to Cairo's problems, we must bear in mind that by this action Egypt is trying to satisfy what many regard as a legitimate claim for a larger participation in one of the country's major economic assets.

But the canal also confronts Egypt with a serious political problem. Although the waterway was conceived

as a purely private enterprise incorporated under Egyptian law, its operational status is actually set by an agreement among the great powers. Space does not permit an adequate analysis here of the 1888 Constantinople Convention but two factors in it have been largely overlooked. The first is that the convention did not *internationalize* the canal. Internationalization was indeed proposed by the majority of the signatories in 1887 (as it was again by Italy in 1938) but met with determined opposition from Britain, which insisted that the canal be *neutralized*, not internationalized. The reason for this was that Britain was then the *de facto* power in Egypt, and genuine internationalization of the canal would have removed this important imperial transportation route from British control. What the convention does is to insure, by mutual agreement, the neutral or nonpolitical status of the canal.

### Britain's Reversal

The second overlooked factor is that in Article 8 of the convention the khedivial government of Egypt is charged with insuring the "protection and free use of the canal." But the "government of Egypt" at the time the convention was signed was under the control of Britain so that the neutrality of the canal was really posited on the continuance of British influence in Egypt. This was made explicit after World War I when the "enemy" signatory powers agreed to the substitution of Britain for Turkey

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Published twice a month by the FOREIGN POLICY ASSOCIATION, INC., 345 E. 46th St., New York 17, N.Y., U.S.A. EDITORIAL ADVISORY COMMITTEE: ELLSWORTH BUNKER • HENRY STEELE COMMAGER • BROOKS EMENY • MRS. W. HOUSTON KENYON, JR. • JOHN MARSHALL • PHILIP E. MOSELY • PAUL H. NITZE • MARGARET PARTON • STEPHEN H. STACKPOLE • ANNA LORD STRAUSS. JOHN W. NASON, *President*, VERA MICHELES DEAN, *Editor*; NEAL STANFORD, *Washington Contributor*; FELICE SOLOMON, *Assistant Editor*. • *The Foreign Policy Association contributes to public understanding by presenting a cross-section of views on world affairs. The Association as an organization takes no position on international issues. Any opinions expressed in its publications are those of the authors.* • Subscription Rates: \$4.00 a year; single copies 20 cents. RE-ENTERED AS SECOND-CLASS MATTER SEPTEMBER 26, 1951 AT THE POST OFFICE AT NEW YORK, N.Y., UNDER THE ACT OF MARCH 3, 1879. Please allow one month for change of address. Contents of this BULLETIN may be reproduced with credit to the Foreign Policy Association.



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## Which Party Helped Perón?

The election campaign rehash of United States relations with Argentina's ex-dictator, Juan D. Perón, did not help either Republicans or Democrats. For both the Truman Administration and the Eisenhower Administration either loaned money or agreed to loan money to Perón; and both were almost indecently cordial and friendly with this acknowledged demagogue and tyrant.

Adlai E. Stevenson would have been well advised not to raise the issue in the first place, since the Democratic party's skirts are tarred with pro-Peronism; but President Eisenhower and Secretary of State John Foster Dulles need not have been indignant, since GOP officials, too, have plenty to regret.

### Both Made Loans

Contrary to the President's statement at his press conference on September 27, this Republican Administration in March 1955, six months before Perón was ousted, did agree to lend Perón \$60 million for a steel mill. It was only saved from actually making the loan by Perón's ouster and by the fact that Argentina was slow in digging up its required \$158 million contribution to the venture before the United States would hand over its money. So it cannot be said that this Administration would have no economic dealings with the corrupt Perón regime. The facts are that the Truman Administration loaned Perón \$100 million; the Eisenhower Administration would have quite willingly loaned him \$60 million. It was an Eisenhower official, Secretary of the Navy Charles S. Thomas, who when in Buenos Aires publicly extolled dictator Perón as the "George

Washington" of his country. Gainza Paz, editor of *La Prensa*, the celebrated Buenos Aires paper which Perón seized and which was returned to Mr. Paz after Perón's downfall, has more accurately taken an attitude of a "plague on both your parties" toward this American campaign clash over Perón. And Gainza Paz calls help by both parties "appeasement" of a ruthless anti-United States dictator.

President Eisenhower and Mr. Dulles are on weak ground when they suggest that the Truman Administration was responsible for bringing Perón to power, while Republicans were responsible for his ouster; that *La Prensa* was seized under the Truman Administration but restored to the rightful owners during the Eisenhower Administration—and Republicans, therefore, get some kind of credit for it.

It is true that Truman's first ambassador to Argentina, Spruille Braden, worked hard to defeat Perón in the 1946 elections and lost—although how much of a part "foreign interference" played in getting Perón into the Pink House is debatable, since the election was rigged beforehand. But it can never be charged that Eisenhower's ambassador to Perón, Albert F. Nufer, lifted a finger to make Perón's going tough. His close ties with the dictator were notorious; and these ties played a big part in getting the \$60 million steel mill agreement and in persuading Perón to give Standard Oil of California valuable drilling rights in Argentina. It was even Mr. Nufer's hope, and the intention of Mr. Dulles, eventually to get the Argentine dictator to hand back *La Prensa*—the argument

being that nothing would build Perón up so much in the United States and the Western world as this gesture. If the Truman Administration can be charged with blowing cold and then hot toward the dictator, the Eisenhower Administration's mistake was in thinking it could make a democrat out of a dictator with loans, advice and not-so-faint praise.

Adlai Stevenson's jibe at the President's brother, Dr. Milton Eisenhower, for assuming "special, if informal, responsibility for our relationships with Argentina" was jumped on by both the President and Mr. Dulles as not only untrue but as a dirty political trick. Certainly it smacked of the "low road" that Mr. Stevenson had been reserving for the GOP vice-presidential candidate. However, Mr. Gainza Paz (who is no longer a GOP hero) has charged that Dr. Eisenhower's visit to Buenos Aires highlighted "a policy of appeasement"; and it is a fact that at the time, John M. Cabot, United States Assistant Secretary of State for Latin American Affairs, who journeyed to Buenos Aires with Dr. Eisenhower, publicly lauded in Washington his "tact, ability and understanding" in dealing with Perón. He asserted that these talks "changed the tenor of our relationships with Argentina . . . making United States and Argentine interests coincide."

It can of course be argued that the GOP was out to destroy Perón with kindness; but that is not the official interpretation of the party's actions—although the oil leases to Standard Oil of California were so resented in Argentina that they may have played a part in Perón's fall.

NEAL STANFORD





## New European Union: What Kind?

The Suez crisis, like a stone cast into water, has produced one ripple after another on the surface of world affairs. Of these ripples perhaps the least expected at the time President Nasser nationalized the Suez Canal Company has been a move for a new Western European union.

The Suez crisis caused Europeans to realize that while the United States and the U.S.S.R., the Asian nations and the Arab group all spoke up in the world forum with some measure of authority and some hope of being listened to, Western Europe showed lack of unity in meeting Egypt's challenge and found itself dependent on decisions outside its orbit on matters affecting its political and economic existence. The shock of this realization galvanized the Western European countries into action.

Britain and France, which had not seen eye to eye about various projects for regional cooperation—notably the ill-fated European Defense Community—found that the common danger they sensed in the Suez nationalization might produce new Anglo-French cooperation, if not yet a formal Entente Cordiale like that of 1904. By an ironic twist of fate these two powers, which in the past had sought to weaken each other's position in the Middle East, joined forces in challenging Nasser's claim to leadership of the Arab world.

Particularly interesting was the reaction of West Germany's Chancellor Konrad Adenauer. "The Old One," as he is familiarly known to his own people, had been sadly disappointed in his dreams of a united Europe by France's rejection of EDC in 1954. He, too, like the British and French, has been impressed by the

weakened influence of Western Europe as demonstrated in the Suez crisis. What is more, he has been alarmed by reports from Washington that the United States, on the basis of recommendations by Admiral Arthur W. Radford, chairman of the Joint Chiefs of Staff, would withdraw some or all American forces from West Germany and concentrate its future military preparations on nuclear warfare, the projected use of which is deeply feared by Europeans.

### The Adenauer Plan

Enlarging on a surprise proposal for a European confederation which he had made in Belgium on September 25, the chancellor on October 1 gave details of his plan at a news conference in Hamburg, where he had gone to address the annual convention of the West German Trade Union Federation. His thesis was that individual European nations could no longer act on their own in a world dominated by the United States, the U.S.S.R. and the rising powers of Asia and the Middle East. Europe, he said, must integrate so that it can still remain of some importance in the world. This is true not only of the Continental countries but also of Britain, which has hitherto held aloof from all projects for European union, no matter how limited. "For reasons of self-preservation," he said, all European countries must work to bring about European integration as quickly as possible.

One of the most sympathetic listeners to Chancellor Adenauer's plan for a European union was French Premier Guy Mollet, who visited Adenauer on September 29 in Bonn

to approve the terms of the Franco-German agreement which provides for return of the long-contested Saar territory to West Germany on January 1, 1957, with provisions assuring France's access to its coal resources over a period of years. It was M. Mollet, as leader of the Socialist party, who tried in vain to have France accept EDC after Radical party leader Pierre Mendès-France, then premier, had declared it was unworkable without Britain's participation. M. Mollet is an ardent supporter of a European federation with supranational powers.

### Independence from U.S.

But while in the past both Chancellor Adenauer and M. Mollet had thought in terms of a European union which would be geographically coterminous with NATO, embracing the United States and Canada as well as Western Europe, the chancellor now believes that the interests of the United States and Europe do not always coincide. His proposed European "confederation," he argues, should not be a tail to the American kite. In contrast to M. Mollet, he stressed that the institutions of such a confederation need not be supranational, in an obvious effort to win the support of Britain as well as of French groups which had been hostile to EDC.

That the British, under the impact of the Suez crisis, may have modified their traditional reluctance to accept close cooperation with continental Europe was indicated by two developments. First, Britain's Chancellor of the Exchequer Harold Macmillan said on October 3 that Commonwealth finance ministers reacted fa-

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## The Future of Vietnam

by Guy J. Pauker

Dr. Pauker, assistant professor of political science at the University of California, at Berkeley, visited Vietnam in January 1955 and lectured there in the summer of 1956 on constitutional government and democracy at the invitation of the Vietnamese government. He specializes on Southeast Asia.

A visitor to Saigon in the months immediately after the cease-fire of July 1954 could read the political situation from the faces of the population. They expressed sadness and fear. Today conditions are strikingly different. There is calm confidence in South Vietnam. The people no longer look as if they were living in a besieged city which the enemy might enter and sack at any moment.

The change in atmosphere reflects a remarkable string of political successes. With a shrewd sense of timing President Ngo Dinh Diem and his aides have overcome one by one a number of threats, each of them serious enough to endanger the very existence of the regime. Appointed prime minister on June 16, 1954 by the absentee Chief of State Bao Dai (now deposed), who acted in accordance with French directives, Diem had little power beyond the personal prestige gained over two decades of stubborn patriotism and honesty. The country two years ago was a bedlam of political ambitions, greedy private armies and Communist subversion. Now the Diem government is unchallenged in its control over the whole territory of Vietnam south of the 17th Parallel. So far each of his political moves has been successful and the people begin to say that the president is lucky.

### A 'Lucky' President

A few months after he took office, toward the end of 1954, Diem's firmness in handling the issues created by the political ambitions of General Nguyen Van Hinh — who finally went into exile in France — put the

army for the first time under the direct authority of the Vietnamese government. When in the spring of 1955 the government's authority over the army was again challenged, this time by General Nguyen Van Vy, Diem was able to maintain control and to test the loyalty of his officers. They have proved their devotion to him ever since.

During 1955 and the first months of 1956 the private armies of the religious sects, Binh Xuyen, Cao Dai and Hoa Hao, were gradually eliminated. The execution of the Hoa Hao warlord, Bacut, in July 1956 marked the end of this major phase in the process of the country's political consolidation. The sects, which sold their political support to Bao Dai, who had little else to rely on, and were manipulated by the French as suited the interests of the colonial power, have ceased to be centers of power in Vietnam.

The plebiscite of October 23, 1955, that approved — with 5,721,735 votes, against 63,017 for Bao Dai — Diem's proposal to establish a republic, of which he became the first president, cleared away to almost everybody's satisfaction some political debris of the colonial period and opened the way for a needed new constitutional order.

Diem showed good judgment when he refused to accept in July 1954 the Final Declaration of the Geneva Conference, which said in Article 7: "... general elections shall be held in July 1956, under the supervision of an international commission composed of representatives of the member states of the Interna-

tional Supervisory Commission. . . . Consultations will be held on this subject between the competent representative authorities of the two zones from July 20, 1955, onwards." Ever since, Diem has rejected consultations with the Vietminh authorities on the justified ground that free elections are not possible in the Communist north. On July 14, 1956 the British Foreign Office announced that North and South Vietnam had agreed to continue respecting the armistice despite the breakdown of its political provisions.

### Challenge to Ho Chi Minh

Judging from all available evidence, armed conflict between the two regimes is unlikely in the foreseeable future. But there is no ground for complacency. For Ngo Dinh Diem time is of the essence. Two years ago, Ho Chi Minh, the Communist leader in the north, was the most popular man in Vietnam, the living symbol of the struggle for independence. Some observers with a sense of humor even suggested that Ho was more popular in the south than in the north. Diem, who had stood aside from politics since the days back in 1933 when he resigned as a young minister at the imperial court at Hue, was the heir of a corrupt and decadent puppet regime and had just returned from several years of self-imposed exile abroad. Now the question no longer is whether Diem can maintain himself in power, but whether his regime will be able to carry out an imaginative program of social and economic reconstruction.

For years Vietnamese Nationalists

faced the tragic dilemma of having to choose between a regime to which only nominal independence had been granted by the French and communism. The result was that many politically articulate elements remained, as the Vietnamese like to say, "under the blanket." Vietnamese Nationalists in the south argue with great bitterness that if real independence had been granted by the French a few years earlier there would be no Communist regime and no divided country in Vietnam today.

Now, a clear-cut alternative to communism is available. Even opposition groups in the south, antagonistic to Diem's present administration—sometimes for reasons involving details of policy but more frequently because of personality clashes—agree that there are only two parties in Vietnam: Nationalists and Communists. The impression one gains talking to opposition leaders is that even those Nationalists who would like to see changes in the government of South Vietnam consider Diem a necessary national symbol.

### Real Independence Achieved

Diem's political strength is based to a large extent on the fact that only since he took the reins of government has Vietnam become truly independent. Vietnam is no longer part of the French Union. After more than 80 years of domination France replaced its high commissioner in Saigon early in September by an ambassador. Long and arduous negotiations have led to the withdrawal of almost the whole French Expeditionary Corps. The French army, which even a year ago was still the most important factor in the country's power equation, no longer interferes in Vietnam's domestic affairs, and in fact could no longer do so.

Independence, although marred by the division of the country, is un-

questionably a source of deep satisfaction to all Vietnamese. The enthusiasm which frequently characterizes the first years of a successful liberation movement is just beginning to manifest itself.

### Anti-Communist Measures

Communist subversive activities in South Vietnam, while still a serious problem, do not seem at present to threaten the existence of the regime. Communist cadres were undoubtedly left behind when the Vietminh army withdrew from the areas it held south of the 17th Parallel. A few months ago it was still assumed that a substantial proportion of villages were at the discretion of clandestine Communist authorities backed by armed irregulars. Today, Communist guerrillas are harassed game for the national army, and the action of the Communists in the villages is apparently limited to nocturnal propaganda sessions.

South Vietnam's anti-Communist protection is composed of several elements. The national army is staffed by officers who had first-hand experience with communism and are firmly opposed to it. Stern measures are taken to prevent any Communist infiltrations into the army. In various sensitive areas the military commanders act also as heads of the civilian local authorities. Some of these administrators in uniform seem to be among the country's ablest men. The financial efforts made to maintain an efficient army are considerable. For fiscal 1956 the Department of National Defense has allocated almost 7 billion piasters out of a total of 13.6 billion budgeted for current expenditures.

The civil service, in which one encounters considerable numbers of refugees from the north, is almost obsessively anti-Communist. But unlike the army it is rather apathetic. Its material conditions also need im-

provement. But there are no indications that these deficiencies make the bureaucracy susceptible at present to Communist subversion.

To counter the Communist underground, armed Civil Guards have been organized in the villages in the last two years. The scope of these activities is indicated by the fact that they involve expenditures second in magnitude only to those for the national army—1.5 billion piasters for the fiscal year 1956. The value of these units is difficult to assess. They can hardly have the same *esprit de corps* as the army or the bureaucracy. The least favorable observers claim that some of the individuals who serve at present in the Civil Guards had similar functions under the Vietminh. But subversion is one field in which the Vietnamese government certainly has experience.

The battle for the minds and hearts of the population is waged by a very dynamic Department of Information and Youth. It is amply supplied with funds having a budget of over 250 million piasters for the fiscal year 1956. Besides its other activities, the Department of Information is engaged in a high-pressure anti-Communist denunciation campaign, the first anniversary of which was celebrated all over Vietnam this summer.

...About 900,000 refugees, from the north, distributed now all over South Vietnam, are living and often vocal arguments against communism, although relations between refugees and the old-established Vietnamese population of the south are sometimes disturbed by economic conflict which only the country's economic development could ease by creating sufficient opportunities for everybody. And probably the most powerful antidote to communism presently operative in South Vietnam is the memory of Communist misdeeds.

Yet the Communist danger is only

delayed. As old wounds heal, the pressures of new needs and of permanent human aspirations for a meaningful and better life will increasingly assert themselves. Soon the normalization of the political situation will be taken for granted, and the performance of the present regime will be measured less in terms of security on the highways and in the country's towns and villages and more in terms of successful social and economic reconstruction and development.

The Diem government will have to succeed in harnessing the revolutionary zeal and the potential energy of the younger generation. It will have to give the country social justice and economic growth. In other countries of Southeast Asia the Communists are a political minority which promises pie in the sky but has never been in power. In Vietnam, despite the tightly sealed border along the 17th Parallel, the people are in a position to compare the actual performances and not just the promises of the two political systems. The Communists will certainly not lose any opportunity to emphasize anything that seems advantageous to their cause.

### Economic Potential

In this competition South Vietnam enjoys a favorable position. According to the 1955 survey of the Economic Commission for Asia and the Far East, the country appears to have great potential productive capacity. While in the southern part of the country land is often unproductive and calls for considerable capital investment, the mountainous area has fertile soil. The resources that can be developed immediately are agriculture, livestock and fisheries. Traveling throughout Vietnam one is left almost everywhere with the impression that ample natural resources are unutilized.

As elsewhere in Southeast Asia, the

population is unevenly distributed. Congested and empty spaces stand side by side. Although metropolitan areas such as Saigon-Cholon are overcrowded, and the insecurity of the last decade drove people away from the countryside into the comparative safety of the urban environment, the country as a whole is not overpopulated. The population is hard-working, thrifty and responsive to leadership. An agrarian policy which would develop new lands is likely to achieve much more than an agrarian reform limited to the area now cultivated.

South Vietnam also has the advantage of substantial American aid. According to the International Cooperation Administration's report for the fiscal year 1956, it received during that period \$197 million, of which \$193 million was given to support defense efforts. This emphasis appears clearly in the Vietnamese budget. The figures quoted in it show that at least 64 percent

of current expenditures are for external and internal security.

While this concentration of efforts on nonproductive purposes is at present unavoidable, the question heard with increasing insistence in Vietnam today is whether an imaginative economic policy could not give the country a more substantial rate of economic growth while at the same time fulfilling defense needs. Responsible circles deplore the fact that American dollars are at present used mainly for the importation of whatever consumer goods the market is ready to absorb. Comparatively little is spent to increase production. The seriousness of the economic situation is illustrated by the fact that, according to the National Bank of Vietnam, in the first four months of 1956 only 18 percent of imports were paid for by exports.

In a period in which the government had to concentrate all its efforts on a struggle for political survival little thought was given to social and

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#### FOREIGN POLICY BULLETIN

Published semimonthly at New York, N.Y. for October 1, 1956.

1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher—Foreign Policy Association, Incorporated, 345 East 46 Street, New York 17, N.Y.; Editor—Vera Micheles Dean, 345 East 46 Street, New York 17, N.Y.; Managing editor—None; Business manager—None.

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economic reconstruction. But the time for such endeavors has now come. Vigorous efforts could rapidly transform South Vietnam into one of the free world's greatest successes in Asia. Today, however, few people in Saigon are development-minded.

As national energies are being released by the Diem government's political successes, a program stirring the people's enthusiasm and firing its imagination would give deep meaning to the new order. In the efforts and joys of creation current causes for dissatisfaction and criticism, occasioned by the regime's lack of experience with democratic methods would probably soon be overshadowed and eventually overcome.

## Badeau

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in the pertinent clauses of the convention. But now that British occupation has ended in fact as well as in theory and British influence is at low ebb in the Middle East, Britain has suddenly reversed its stand and is calling for the very international control it opposed while it was the effective power in Egypt.

This is the crux of the Suez Canal crisis. In nationalizing the Suez Canal Company Egypt proposes to continue the neutral status of the canal through adherence to the convention, which makes the government of Egypt the responsible party. But the

West is unwilling to accept this now that Egypt is both fully sovereign and strongly nationalist. The West is therefore demanding international control, which is not only an alteration in the canal's status but inevitably involves infringement on or curtailment of Egypt's sovereignty. This is particularly apparent in the early suggestions from London and Paris that armed force would be used to coerce Egypt into accepting the Western view. Even the various ingenious schemes of Secretary of State John Foster Dulles for disguising the unpalatable facts have not persuaded Egypt on that score.

Whatever the West does to safeguard its own interest in the canal, it must be equally concerned with the threat of foreign political intrusion that the canal has always posed for Egypt. Once and for all to settle that threat is probably the most important step toward a permanent and equitable solution of the crisis.

Dr. Badeau, president of The American University at Cairo 1945 to 1953 and now president of the Near East Foundation, has written previously for the FOREIGN POLICY BULLETIN and is author of the *Headline Series*, "The Emergence of Modern Egypt."

## Spotlight

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vorably to Britain's proposal for joining European nations in a limited free trade area. This area would include France, West Germany, Italy,

the Netherlands, Belgium and Luxembourg — the same six nations which now form the existing Western European Union, substituted in 1954 for EDC. And, second, the Conservative party's political center, on the same day, published a proposal to bring European and other nations into the Commonwealth so as to prevent the United States and the U.S.S.R. from dividing the world between them. In these proposals, the British, like the West Germans, emphasize their desire to reduce Britain's diplomatic dependence on the economic and military support of the United States. The next question is, What kind of European union do Europeans want? A confederation à l'Adenauer, a federation à la Mollet, or just a free trade area à la Macmillan?

While Secretary of State John Foster Dulles, at his October 2 press conference, welcomed the new moves for a Western European union, it is important for Americans to realize that the projects now under consideration represent a European declaration of independence from Washington. In fact, some Europeans feel that previous efforts to achieve European unity may have been harmed, rather than helped, by American declarations favoring integration, and that a new plan would be more likely to succeed if the United States keeps hands off.

VERA MICHELES DEAN

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